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COTTON GINNERS  
MARKETING AGREEMENT

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COTTON GINNERS MARKETING AGREEMENT

This Agreement entered into by and between the Secretary of Agriculture of the United States of America and each of the ginner signatory hereto, and by and between each of said ginner one with another,

WITNESSETH THAT:

WHEREAS, the Congress of the United States by the Agricultural Adjustment Act, approved May 12, 1933, as amended, has declared that a National emergency exists, due to the severe and increasing disparity between the prices of agricultural and other commodities, and

WHEREAS, in Section 2, Paragraph 1, it is a declared purpose of the Agricultural Adjustment Act to correct marketing conditions with respect to agricultural commodities; to aid in reestablishing prices to farmers at a level that will give agricultural commodities a purchasing power with respect to the articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period described in said Act, and

WHEREAS, the character of ginning service rendered directly affects the marketable quality of cotton, and

WHEREAS, American cotton enters into interstate and foreign markets and the prices obtained in such markets and the prices returned to growers are directly affected by the quality of the cotton, and

WHEREAS, there now exist in the ginning industry ginning methods which materially reduce the quality and lower the value of cotton and trade practices which interfere with and obstruct the efficient handling and sale of cotton in domestic and world markets, and

WHEREAS, the parties hereto for the purposes of correcting said inefficient handling methods and trade practices and for the purpose of effectuating the declared policy of the Act desire to enter into a marketing agreement pursuant to the provisions of Section 3 (2) of the Act.

NOW THEREFORE, in consideration of the promises and the mutual promises herein contained the parties hereto agree:

# ARTICLE I

## DEFINITIONS

As used in this Agreement, the following words and phrases shall be defined as follows:

(a) "Secretary" means the Secretary of Agriculture of the United States.

(b) "Ginner" means such individuals, firms, partnerships, societies corporations, associations, or other business units engaged in the commercial ginning of seed cotton as may become parties signatory to this Agreement.

(c) "Ginning" means the process of separating the lint from the cotton seed, including the services of baling, wrapping, tying, weighing, and stenciling.

(d) "Gin" means a single battery of one or more gin stands discharging into the same press box.

(e) "Plant" means any cotton ginning establishment regardless of the number of batteries contained therein, including apparatus for cleaning and drying seed cotton, boll breaking and separating, or other processes of the preparation of seed cotton for the separating of the lint from the seed, the collecting of the lint and seed, the wrapping, tying, weighing and identifying of the baled lint.

(f) "Ginning community" as used herein shall refer to those ginning plants located in any section or territory where similar ginning conditions usually prevail, such as similarity of soil, season, type of cotton grown, ginning customs, and other conditions which may affect commodity relationships and operation of cotton gins.

(g) "Grower" means any individual, firm, partnership, corporation or association engaged in growing cotton.

(h) "Subsidiary" means any person, of or over which, the ginner has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

"Affiliate" means any person who has, either directly or indirectly, actual or legal control of or over a ginner, whether by stock ownership or in any other manner.

(i) "Act" means the Agricultural Adjustment Act approved May 12, 1933, as amended.

(j) "State Committee" means a State Administrative Committee created pursuant to Article II, Section I, of this Agreement.

(k) "National Committee" means the National Administrative committee created pursuant to Article II, Section 5 of this Agreement.

(l) "Seed cotton" means the harvested fruit of the cotton plant in whatever condition it may be brought to the gin for service.

(m) "Remnant seed cotton" shall mean seed cotton containing the equivalent of not over 350 pounds of lint cotton on the seed, being the entire crop of one grower or the end season harvestings of one grower.

(n) "Cleaning" means the removal from seed cotton of small particles of foreign matter such as sand, dirt, pin trash, broken leaf, shuck pieces, and the like.

(o) "Extracting" means the process of extraction or separation from seed cotton of large particles of foreign matter such as burrs, hulls, leaves, stems, sticks, stones and the like. Extracting shall be deemed to include satisfactory cleaning action, but cleaning shall not be deemed to be a satisfactory substitute for extracting.



(p) "Separator" as used herein shall refer to any mechanical or pneumatic device employed in the handling of seed cotton for the purpose of separating or removing seed cotton from an air stream or conveying current of air. Mechanical separators shall be deemed to include all continuous discharge separators, whether equipped with vacuum wheel or belt seal. Pneumatic separators shall be deemed to include all intermittent discharge separators generally known to the trade as "droppers", "pneumatic elevators" and the like. "Combined Cleaner Separator" as herein used shall refer to those mechanical types of separators comprising one or more spiked cleaning cylinders and screens disposed within the inlet portion of said apparatus in combination with the conventional vacuum wheel or belt seal discharge.

(q) "Cleaning Feeder" as used herein, whether "small drum" or "big drum", shall refer to the conventional type of apparatus employed to mechanically feed seed cotton to a gin stand at a selective rate, and shall comprise a cotton inlet, means for controlling the flow of seed cotton through the device, one or more spiked cleaning cylinders in combination with suitable screening surface, and means for uniform discharge of said seed cotton into the gin stand at the rate selected. Cleaning feeders having a single spiked cleaning cylinder of not more than eighteen inches tip diameter shall be deemed to be "small drum" cleaning feeders. Cleaning feeders having a single spiked cleaning cylinder of greater diameter than eighteen inches or having a plurality of spiked cylinders of not less than twelve inches tip diameter shall be deemed to be "big drum" cleaning feeders.

(r) "Distributor or pneumatic chute" as used herein shall refer to the conventional apparatus employed at cotton gins for the distribution of seed cotton to the various units of machinery such as cleaning feeders and the like.

(s) "Huller gin stand" as used herein shall include saw gin stands of either the single or double rib huller type in combination with picker roll and huller front.

(t) "Plain gin stand" as used herein refers to those single rib saw gin stands having one set of plain ribs in combination with a plain front.

(u) "Roller gin stand" as used herein refers to that distinct kind or type of gin stand comprising one or more covered rollers in combination with fixed and moving knives, customarily employed for the purpose of ginning cotton of the Sea Island and Egyptian types.

(v) "Unit extractor feeder" as used herein shall refer to special types of gin stand feeders having capacity sufficient to serve a single gin stand and combining the processes of cleaning, extracting, and feeding into one unit in such manner as to permit it to replace a cleaning feeder.

(w) "Master extractor" as used herein refers to extracting apparatus of sufficient size and capacity to serve a battery of gin stands.

(x) "Person" means any individual, partnership, corporation, association or other business unit.

## ARTICLE II

### ADMINISTRATION

1. Prior to May 1 of each year, the ginnerers of each State shall elect a State Administrative Committee to serve from June 1 of said year to May 31 of the following year. It is hereby provided that:

- (a) Two or more adjacent States may elect a single committee to represent such States.
- (b) The ginnerers of the Rio Grande Valley of Texas and New Mexico may associate themselves and participate in the election of and be subject to the jurisdiction of either the New Mexico or the Texas State Administrative Committee. In the event that such choice is exercised said ginnerers shall be subject only to the jurisdiction of the Committee in the election of which they participate in accordance with this paragraph.
- (c) Nothing in this section shall be construed to prevent the appointment or election of sub-committees to aid State Committees in the administration of this Agreement, but the decisions of any such sub-committees shall in all cases be subject to the approval of the appropriate State Committee.

2. Except in the States of Oklahoma and Texas, each State Committee shall consist of five (5) ginnerers and a duly authorized agent of the Secretary, who shall be known as the Agent Member, and who shall act in the interests of the growers of the territory represented and perform such other duties as the Secretary may require. A ginner member of the Committee shall be elected by vote of the Committee to act as Chairman.

In Oklahoma and Texas the Committee shall consist of six (6) ginnerers, and an Agent Member. At least one of said ginner members shall be chosen by the legally chartered cooperative associations and societies of the State to be represented.

The membership of any State Administrative Committee shall be subject to the disapproval of the Secretary.

3. The choice of the Committee shall be governed by the following rules:

- (a) Each gin within the territory to be represented by such Committee shall be entitled to one vote.
- (b) No two (2) members of the Committee shall be employed by, affiliated with or hold stock ownership in the same ginning interest.

4. For the purpose of administering this Agreement during the ginning season of 1933-34, State Administrative Committees shall be chosen within fifteen (15) days after the effective date of this Agreement, in accordance with the foregoing rules, and said Committees shall be invested with all the powers hereinafter set forth and given to State Administrative Committees.



5. The Chairman of the several State Committees and a duly authorized agent of the Secretary shall constitute a National Administrative Committee. The National Administrative Committee shall elect one of its members to act as Chairman.

6. Each State Committee shall have the following duties and/or powers:

- (a) To supervise the performance of this Agreement and to act as intermediary between the ginners under its jurisdiction and the National Administrative Committee.
- (b) To employ such employees as it may deem necessary to the effectuation of its duties and to determine the salaries and define the duties of such employees.
- (c) To collect such funds from ginners on a per bale basis as may be necessary in order to carry out its duties and/or powers under this Agreement, and to disburse such funds in order to carry out said duties and/or powers. Provided, however, that the total payments authorized by this paragraph and paragraph (d) of Section 7 hereunder shall not exceed 2 cents per bale ginned.  
Each ginner hereby agrees to make payments in accordance with this paragraph and paragraph (d) of Section 7 hereunder.
- (d) To establish for each ginning community the rates that shall be charged for ginning and other services within the maximum limits herein set forth in Article IV, or as amended. Rates so determined by the State Committees shall be filed with and be subject to the disapproval of the Secretary.
- (e) To receive complaints, investigate charged violations of this Agreement, make findings with reference thereto, and to issue rulings based on such findings. Provided, that if a member of such Committee shall in any case be a party (or the representative of such a party) charged with violation of this Agreement he shall for the purpose of the investigation and determination of the issue be deprived of all his rights, duties and privileges as a member of the State Administrative Committee.  
Any ruling of the State Committee shall be subject to a right of appeal within fifteen days after the issuance of said ruling to the National Committee.
- (f) To report immediately to the National Committee the refusal of any ginner to conform to a ruling of the State Committee.
- (g) To furnish to the Secretary or to the National Committee complete records of investigation and findings in any case when so requested by the Secretary or the National Committee, and such further reports to the Secretary, on and in accordance with forms to be determined by him, as he may from time to time request.

- (h) To allocate the active gins under its jurisdiction into ginning communities on the basis of similarity of conditions affecting the ginning processes. A list of the ginning communities so established, together with the boundary of each and the names of the gins in each, shall be furnished the Secretary, or his duly authorized agent, for approval.
- (i) To mail a notice to each ginner under its jurisdiction at least fifteen (15) days prior to the date when the election of a succeeding Committee is to take place, which notice shall state the time and method of election.
- (j) To perform such other duties and functions as may be required in the proper administration of this Agreement or as may be assigned to it under any other stipulation or provision contained herein.

7. It shall be the duty and/or power of the National Administrative Committee:

- (a) To coordinate the activities of the several State Committees.
- (b) To act as direct intermediary between the Secretary and the State Administrative Committees, and to interpret this Agreement under the direction of the Secretary.
- (c) To employ such employees as it may deem necessary to the effectuation of its duties and to determine the salaries and define the duties of such employees.
- (d) Subject to the limitation hereinabove set forth in Article II, Section 6 (c) through the State Committees to collect funds from ginner on a per bale basis to raise such funds as may be necessary to carry out its duties and/or powers as herein set forth and to disburse such funds to carry out such duties and/or powers.
- (e) On appeal from a decision of a State Committee, or on report by a State Committee of noncompliance with its rulings to conduct investigations, to make findings with reference thereto and issue rulings on such findings. Provided, that if a member of such Committee shall in any case be a party appellant from a decision of a State Committee (or the representative of such an appellant), or the party refusing to abide by a decision of the State Committee (or the representative of such party), he shall for the purpose of the investigation and determination of the issue be deprived of all his rights, duties, and privileges as a member of the National Administrative Committee.  
Any ruling of the National Committee shall be subject to a right of appeal within fifteen days after the issuance of said ruling to the Secretary.
- (f) To immediately report to the Secretary the refusal of any ginner to conform to a ruling issued by the National Committee.



- (g) To furnish to the Secretary complete records of investigations and findings in any case when so requested by the Secretary. And such further reports, on and in accordance with forms to be determined by him as the Secretary may, from time to time, request.
- (h) To perform such other duties and functions as may be required in the proper administration of this Agreement or as may be assigned to it under any other stipulation or provision therein.
- (i) To cooperate with any agency or agencies now or hereafter created to formulate or carry out any blanket marketing agreement covering the whole chain of related industries of which this industry forms one segment.

8. If information shall come to the knowledge of any ginner of the violation of any of the terms or conditions of this Agreement by any other ginner, the ginner having such knowledge shall notify his State Committee of such violation by a written statement containing the charges and all available substantiating evidence. Such statement may be submitted directly to the State Committee or through a sub-committee.

9. In aid of any investigation with respect to charges against any ginner, each ginner agrees that the State or National Committee or the Secretary may call upon the ginner whose transactions are under investigation to furnish a statement of the facts under oath and that the State or National Committee or the Secretary may designate a reputable firm of public accountants to examine, during the usual business hours, the books and records of the ginner whose practices are under investigation and report upon the matters that shall have been specified in a direction to such accountants. Said direction to the accountants must specifically set forth the matters upon which a report is required and said accountants shall not reveal to the said Committees any other matters whatsoever disclosed by said examination.

### ARTICLE III

#### BOOKS AND RECORDS

1. It shall be the duty of the National Administrative Committee hereinbefore in Article II, Section 5 created, to establish a uniform system of cost accounting principles which shall meet with the approval of the Secretary, and each ginner shall use said system of accounting principles which said system of accounting shall accurately reflect the true account and condition of the respective businesses of said gimmers, which will include the businesses of any affiliate or subsidiary.

2. The respective books and records of each of the gimmers (including the books and records of their subsidiaries and affiliates) shall, during the usual hours of business, be subject to the examination of the Secretary to assist him in the furtherance of his duties in accordance with this agreement including verification by the Secretary of the information furnished on the forms herein-after referred to. The gimmers shall severally, from time to time, furnish information to the Secretary on and in accordance with forms to be supplied by him and such reports shall be verified under oath. The Secretary, in his discretion, may permit the omission from any such report of data or information from any subsid-

lary or affiliate. All information obtained by or furnished to the Secretary pursuant to this paragraph, if designated in writing as confidential when obtained or furnished, shall remain the confidential information of the Secretary, and shall not be disclosed by him except upon lawful demand by the President, by either House of Congress, or any committee thereof, by any court of competent jurisdiction, or except as may be necessary in the course of an investigation of a supposed breach of any provision of this Agreement. The Secretary, however, may combine the information obtained from ginners in the form of general statistical studies or data, and publish the same. The Secretary hereby agrees to issue regulations and prescribe penalties to be imposed in the event of any violation of the confidence or trust imposed hereby.

#### ARTICLE IV

##### SERVICE CHARGES

1. Each ginner shall post in a conspicuous place the rates to be charged for each service. The rates so posted shall be the rates established by the State Administrative Committee for the ginning community in which each gin plant may be located.

For the ginning season, 1933-34, the maximum rates shall be as follows:

a. Ginning.

Charges for ginning services shall be based upon the actual weight of the seed cotton and shall not exceed the following schedule:

I. For picked Upland cotton:

- (A) In the States of Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia, not to exceed 25 cents per cwt. of seed cotton.
- (B) In the hill regions of the States of Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri and Tennessee, not to exceed 25 cents per cwt. of seed cotton.  
In the delta regions of such states not to exceed 30 cents per cwt. of seed cotton.  
The State Committee of the states listed in this paragraph (B) shall have power to decide whether any gin is located in the delta or the hill region.
- (C) In the State of Oklahoma and the non-irrigated areas the State of Texas, not to exceed 28 cents per cwt. of seed cotton.
- (D) In the States of Arizona, California, New Mexico, the irrigated cotton areas of Texas, and all other States not mentioned above, not to exceed 30 cents per cwt. of seed cotton.

II. For pima cotton:

Not to exceed 60 cents per cwt. of seed cotton.



III. In the ginning of Upland cotton of a staple length of 1-1/8 inches or longer the ginner shall perform such services as may be necessary for the proper ginning of such cotton and may charge for such services not in excess of 5 cents per cwt. over and above the rates established for that ginning community. The provisions of this paragraph shall not be applicable in the delta regions of the Mississippi River and its tributaries. The limits of said delta regions shall be fixed by the appropriate State Committees.

b. Drying, Cleaning, Preparation.

Charges to growers for services rendered preparatory to ginning shall conform to the following schedule:

- I. Drying of seed cotton prior to ginning: Not to exceed 5 cents per cwt.
- II. Cleaning and preparing snapped and/or bollies: Not to exceed 5 cents per cwt.
- III. Cleaning and preparing sledged cotton: Not to exceed 10 cents per cwt.
- IV. For the sterilization of cotton seed when required under quarantine regulations: Not to exceed 5 cents per cwt. of seed so sterilized, except where the cost of such sterilization is otherwise regulated by law.

c. Bagging and ties.

To cover all costs of financing and losses on bagging and ties not to exceed 25 cents per bale over and above the actual average cost of the bagging and ties. Said average cost of bagging and ties shall be determined by a State Committee, hereinbefore created in Article II.

- d. The State Committee shall establish a flat rate schedule for use at plants not equipped with scales for weighing seed cotton, which rates shall include all services of cleaning, ginning, baling, and wrapping (including materials), and shall be equal to the average charges in the ginning community in which such gins may be located, based on items "a", "b", "c" of this article.

e. Storage and Insurance.

Charges to growers for storage and insurance shall conform to the following schedule:

- I. For the storage of baled cotton, 25 cents per bale for the first month or fraction thereof, and 1 cent per bale for each day thereafter, said charge to include insurance against fire and theft. Provided, however, that no ginner shall allow baled cotton to be left or to remain on the premises for more than seven days after the ginning thereof without charge therefor; nor shall any ginner allow baled cotton to be left or to remain on the premises unless he shall have provided suitable storage facilities for such cotton. The State Committee shall determine what constitutes suitable storage for any ginning community.



- f. The schedule of rates for each season shall be determined prior to each season by the Secretary acting with the advice of the National Committee, provided that nothing herein shall be construed to prevent the Secretary, from time to time as circumstances may require, after investigation and hearing, from changing the schedules of rates or any part thereof or from modifying, canceling, or amending any clause of this Agreement, affected by such a change to conform with a new rate schedule.

## ARTICLE V

### EQUIPMENT AND HANDLING

1. No ginner shall handle through the gin any so-called rough and dirty, snapped, bolly or sledded cotton unless equipped to separate and clean the seed cotton before ginning.

2. No ginner shall accept for ginning, seed cotton of high moisture content unless he shall be equipped with suitable drying apparatus for properly conditioning such seed cotton before ginning. In case of dispute between a ginner and a producer as to whether the seed cotton offered for service is too moist for proper ginning a third party shall be selected by the disputants whose opinion shall be final.

3. After July 1, 1934, each commercial gin shall be equipped with the minimum apparatus hereinafter specified to assure to the public cleaning, extracting, and ginning services which shall be capable of producing samples of ginned lint having elements of quality (color excepted) equal or superior to the following classifications, as based upon the official cotton standards of the United States, namely:

- (1) For Upland clean picked cotton under 1-1/16 inch staple length - equal to "Strict Middling" in leaf and preparation.
- (2) For Upland clean picked cotton 1-1/16 inch and over in staple length - equal to "Middling" in leaf, and in preparation equal to the tentative standards for Middling "B" preparation of cotton 1-1/8 inch and longer in staple.
- (3) For snapped (or rough and dirty) cotton - equal to Strict Low Middling.
- (4) For "sledded" and "bollies" cotton - equal to Low Middling.
- (5) For clean picked Fine cotton - equal to "No. 2" grade.

To fulfill the purpose of this section the following apparatus for handling, cleaning, extracting, and/or ginning shall be deemed to be the minimum allowable equipment for a plant:

- (a) Wagon scales, bale scales, and means for weighing cotton seed.
- (b) Combinations of equipment for cleaning and/or extracting seed cotton before ginning shall be of one of the following types:
  - (1) Combined Cleaner separator - distributor - big drum cleaning feeders - huller gin stands.
  - (2) Airline cleaner - separator (mechanical or pneumatic) distributor or pneumatic chutes - small drum cleaning feeders - huller gin stands.
  - (3) Separator (mechanical) - 3 cylinder cleaner - distributor - small drum cleaning feeders - huller gin stands.
  - (4) Separator (mechanical or pneumatic) distributor or pneumatic chutes-unit extractor feeders - plain gin stands.
  - (5) Separator (mechanical) master extractor - distributor-small drum cleaning feeders - plain gin stands.
  - (6) Separator (mechanical or pneumatic) - distributor or pneumatic chutes - small drum cleaning feeders-roller gin stands.
  - (7) Other assemblies or arrangements of ginning apparatus which may from time to time be promulgated by the Secretary for improved ginning.
- (c) One or more gin stands which shall be placed in good mechanical condition before service shall be rendered to any customer or patron.
- (d) A suitable condensing and baling apparatus.
- (e) No square bale press box shall be greater than 54 inches in length nor more than 27 inches in width.

The Agent Members of the State Administrative Committees are hereby authorized to require any gin under their jurisdiction to submit to tests for the purpose of determining its compliance with the provisions of this Article.

4. Additional gins shall not be erected, nor old gins relocated in a different ginning community, nor any gin enlarged or reopened except in accordance with and subject to rules and regulations to be formulated by representatives of legally chartered cooperative associations or societies and operators of private gins. Said rules shall recognize the rights of cooperative associations or societies to erect and/or operate gins in accordance with

State and Federal laws, insofar as such laws do not conflict with the provisions of this Agreement, and said rules shall adequately protect the property rights of the private gin operators. The rules and regulations shall be subject to the approval of the Secretary. Provided, however, that nothing in this section shall prevent the replacement of old, worn or destroyed apparatus or equipment in active gins.

5. Two or more ginners in any ginning community, with the approval of the State Administrative Committee and the Secretary, at any time may by agreement pool their interests and close certain gins on set days or for the season. The operators of plants closed in accordance with this paragraph shall be reimbursed on an equitable basis by the other parties to the said Agreement.

6. If and when the Secretary shall have promulgated or recommended standards for materials to be used for bale covering, the use of any other kind or type of bagging and ties shall be prohibited.

7. If and when the Secretary shall have promulgated or recommended the use of a standard type bale identification marker, such identification marker shall be affixed to each square and/or round bale of cotton in such manner as may be prescribed by the Secretary.

8. If and when the Secretary shall have promulgated or recommended the use of a standard type bale identification marker for bales of mixed packed and/or non-uniform quality of cotton, such identification marker shall be affixed to each square and/or round bale of cotton in such manner as may be prescribed by the Secretary.

9. The use of standard materials and/or markers in any crop year in accordance with the immediately foregoing paragraphs 6, 7, and 8 shall not be required unless promulgation or public announcement of such standards shall have been made not later than November 1st of the previous year; nor unless a public hearing on the advisability of such standards shall have been held previous to such promulgation or public announcement of such standards.

## ARTICLE VI

### COTTONSEED

1. The average grade of cotton seed from current ginnings shall be determined as follows: On certain days to be determined by the State Administrative Committee, at least once a week throughout the ginning season, each ginner in each ginning community shall draw a fair sample of the seed ginned that day. The sample shall be made up of proportionately equal quantities drawn from each load of seed cotton. This sample shall be thoroughly mixed and composited with similar samples from other gins in the ginning community and the quantity of the sample from each gin shall be proportionate to the volume of ginning done at each gin for that day. A representative sample shall be drawn from the mixture and forwarded to a qualified chemist for analysis and grading according to official standards of the United States. The drawing, mixing and quartering of all samples shall be done in accordance with the standard methods established in the service and Regulatory Announcements #133, issued August 1932. The grade of



this sample shall be considered the average grade of the cotton seed of the community until changed by the grade of a later community sample, and each ginner shall post in a conspicuous place in the gin the grade so established. A copy of each grade certificate shall be furnished to the Secretary.

2. In the purchase of cottonseed from growers, gimmers shall pay ninety percent (90%) of the community average grade price in wholesale lots on the date of purchase; provided, that in no case shall the difference between the average grade price and the price paid by the ginner exceed \$3.00 per ton when the average grade of the seed of current ginnings is 100 or higher, nor \$4.00 per ton when the average grade of the seed of current ginning is below 100. Nothing in this paragraph shall prevent a ginner from buying seed at prices above the prices herein set forth for the purpose of meeting competition of a party not operating under this Agreement.

3. The storage of cotton seed by the ginner for account of the farmer is prohibited providing that nothing in this section shall prevent the ginner from reselling seed to the farmer for his personal use only at the price paid by the ginner at the time of purchase.

4. Where cotton seed scales are not in common use and seed weights are estimated, the deduction for dirt, trash and foreign matter shall be determined by various State Administrative Committees from time to time during ginning season. The recommendation of said Committees shall be binding on gins under their supervision. No foreign matter once removed from seed cotton shall be returned into seed. After July 1, 1934, gins shall purchase seed on actual weight of same.

5. Plant breeders and certified cotton seed growers registered and approved under the laws of the several States shall have the privilege of contracting acreage, exclusive ginning, storage, and sale of planting seed.

## ARTICLE VII

### TRADE PRACTICES

It is hereby agreed that the following are unfair trade practices and shall not be practiced by gimmers:

1. Extending unsecured credit for services, and the payment or allowance of rebates, refunds, bonuses of any kind, whether in the form of money or otherwise, or extending to customers special services or privileges with the intent and with the effect of injuring a competitor and where the effect may be to evade the charges established under Article IV of this Agreement.

2. Offering stock ownership or any interest in a gin to a grower with the intent and/or effect of injuring a competitor and where the effect may be to substantially lessen competition. Provided, that nothing herein shall prevent bona fide cooperative associations or societies from owning and operating cotton gins in accordance with the provisions of law.

3. Entering into any agreement, arrangement or device to circumvent the spirit of this Agreement or the principles thereof.

4. The purchase of cotton in the seed, or seed cotton, except remnant seed cotton, by ginner and/or the ginning of seed cotton for the account of purchasers thereof, provided, that the price paid for such remnant seed cotton shall equal, but not exceed the full combined value of the lint and seed less a proportionate charge for services as provided in Article IV hereof.

## ARTICLE VIII

### SAMPLING

1. Each ginner shall make it a condition of his ginning contract that when requested in writing by the Secretary or his duly authorized agent he shall draw from the press box a true and representative sample of each bale ginned and will forward the same to the Secretary, with such identification marks and information as the Secretary may require. Each such sample shall weigh approximately four ounces. Wrappers and forwarding costs of such samples shall be paid by the Secretary, but the drawing of the samples shall be without compensation.

## ARTICLE IX

### MISCELLANEOUS

1. Any ginner may become a party to this Agreement on equal terms with the signatories hereto.

2. Nothing herein contained shall be construed in derogation of the rights of the Secretary to exercise any powers granted to him by the Act and, in accordance with such powers, to act in the premises whenever he shall deem it advisable.

3. Neither the members of any Committee nor the Secretary shall be held responsible in any way to any ginner or any other person for errors in judgment, mistakes or other acts either of commission or omission except in case of dishonesty. It is understood by all ginner that it will be necessary for the various Committees and the Secretary to rely upon estimates and data which may be uncertain and susceptible of error.

4. If any provision of this Agreement is declared invalid, or the applicability thereof to any person, circumstance or thing is held invalid, the validity of the remainder of this Agreement and the applicability of any provision to any other person, circumstance or thing shall not be affected thereby.

5. The ginner hereby apply for and consent to licensing by the Secretary, subject to General Regulations, Agricultural Adjustment Administration, Series 4, prescribed by the Secretary and approved by the President.

6. The Secretary may by designation in writing, name any person, including any officer or employee of the government, to act as his agent in connection with any of the provisions of this Agreement.

## ARTICLE X

### AMENDMENTS, DURATION AND TERMINATION

1. Amendments may be proposed by the Secretary or by any ginner.

(a) Amendments proposed by the Secretary shall be submitted to the National Administrative Committee, which shall in turn submit the proposed amendment to the State Administrative Committee of any state which will be affected by such amendment.

The State Committee shall make a report with reference thereto to the National Committee, which in turn shall make a report to the Secretary.

If the proposed amendment is approved by the above Committees, the Secretary may make the amendment effective on such a date as he shall determine.

(b) Amendments proposed by a ginner shall be filed with the appropriate State Committee for consideration. Upon approval the State Committee shall submit the proposed amendment to the National Committee, which in turn shall submit the proposed amendment to the Secretary with its recommendations. The amendment shall become effective only upon approval of the Secretary and upon such date as he may determine.

2. This Agreement shall become effective at such time as the Secretary may declare above the signature attached hereto, and this Agreement shall continue in force until terminated as follows:

(a) The Secretary may at any time terminate this Agreement as to all parties thereto by giving at least one day's notice by means of a press release and by depositing in the mail a notice of the same addressed to the chairman of the National Committee.

(b) The Secretary may at any time terminate this Agreement as to any party signatory thereto, by giving at least one day's notice by depositing the same in the mail and addressed to such party at his last known address.

(c) The Secretary shall terminate this Agreement upon the written request of ginner, the sum of whose average output by bales over the period of the last three preceding calendar years equal 75% of the average of the total output by bales in said years by all ginner parties hereto, by giving notice in the same manner as provided in subdivision (a) above.

(d) This Agreement shall, in any event, terminate whenever the provisions of the Act authorizing it cease to be in effect.



3. The benefits, privileges and immunities conferred by virtue of this Agreement shall cease upon its termination except with respect to acts prior thereto, and the benefits, privileges, and immunities conferred by virtue of this Agreement upon any party signatory hereto shall cease upon its termination as to such party except with respect to acts done prior thereto.

This Agreement may be executed in multiple counterparts. Each ginner becoming a party to this Agreement by execution of a counterpart shall sign and deposit with the Secretary said counterpart and, if a corporation, shall deposit together with said signed counterpart a certified copy of a resolution of the Board of Directors or of the stockholders authorizing such signing and delivery. This Agreement together with all counterparts shall constitute one and the same instrument as if all signatures were contained in one original.

IN WITNESS WHEREOF, the contracting gimmers, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations herein contained, and not otherwise, have hereunto set their respective hands and seals.

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Attest

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Attest

WHEREAS, it is provided by Section 8 of the Act as follows:

"Sec. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power -

"(2) To enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in the current of interstate or foreign commerce of any agricultural commodity or product thereof, after due notice and opportunity for hearing to interested parties. The making of any such agreement shall not be held to be in violation of any of the antitrust laws of the United States, and any such agreement shall be deemed to be lawful:

Provided, that no such agreement shall remain in force after the termination of this Act." and

WHEREAS, due notice and opportunity for hearing to interested parties has been given pursuant to the provisions of said Act, and the regulations issued thereunder, and

WHEREAS, it appears after due consideration, that this is a marketing agreement between the Secretary and persons engaged in the handling of cotton in the current of interstate and/or foreign commerce within the meaning of Section 8 (2) of the Act; and

WHEREAS, it appears after due consideration that the aforesaid marketing agreement will tend to effectuate the policy of Congress set forth in Section 2 of the Act in that such marketing agreement will -

(a) Establish and maintain marketing conditions for cotton that will aid in the reestablishment of prices to producers thereof at a level that will give such agricultural commodity a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of such agricultural commodity in the base period as defined in Section 2 of said Act; and

(b) Approach such equality of purchasing power by gradual correction of the present inequalities therein at as rapid a rate as is possible in view of the current consumptive demand in domestic and foreign markets.

(c) Protect the Consumers' interest by readjusting farm production at such level as will not increase the percentage of the consumers' retail expenditures for agricultural commodities, or products derived therefrom, which is returned to the farmer above the percentage which was returned to the farmer in the prewar period, August 1909 - July 1914.

WHEREAS, I herewith give notice that:-- (1) The Secretary reserves the privilege of approving a blanket marketing agreement, pursuant to section 8 (2) of the Act, covering the whole chain of related industries, of which this industry forms one segment, after suitable investigation of the chain of industries which should participate in this blanket agreement.

NOW, THEREFORE, The Secretary of Agriculture, acting under the provisions of the Agricultural Adjustment Act, for the purposes and within the limitations therein contained, and not otherwise, does hereby execute this Agreement under his hand and the official seal of the Department of Agriculture in the City of Washington, District of Columbia, on this day of 1933, and pursuant to the provisions hereof I declare this Agreement to be effective on and after 12:01 A.M., Eastern Standard Time, , 1933.

Secretary of Agriculture.





AUTHORIZATION TO CORRECT TYPOGRAPHICAL ERRORS  
TO BE EXECUTED BY ALL SIGNERS  
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We, the undersigned, hereby authorize Cully A. Cobb to consent on our behalf to the correction of any typographical errors which the Agricultural Adjustment Administration may consider it advisable to make in the Marketing Agreement for Cotton Ginners.

\_\_\_\_\_  
Date Firm Name

By \_\_\_\_\_  
Name Title -- SEAL  
(If corporation)

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Corporations only

CERTIFICATION OF RESOLUTION

At a duly convened meeting of the Board of Directors of

\_\_\_\_\_ held at  
\_\_\_\_\_ on the \_\_\_\_\_ day of  
\_\_\_\_\_, 1933, the following resolution was adopted:

RESOLVED, that \_\_\_\_\_

shall become a party to the Marketing Agreement for Cotton Ginners, as read and explained to the meeting, and it is further RESOLVED, that

\_\_\_\_\_  
(title)

and \_\_\_\_\_ (title), be, and hereby are authorized and directed to sign, execute, and deliver a counterpart of said Agreement attached hereto, to the Secretary of Agriculture, together with an authorization naming Cully A. Cobb to correct typographical errors.

I, \_\_\_\_\_ Secretary of

\_\_\_\_\_ do hereby certify that this is a true and correct copy of a resolution adopted at the above named meeting, as said resolution appears in the minutes thereof.

\_\_\_\_\_  
Address if furnished, SEAL

AND SEAL AT SIGNATURE LINE IN BODY OF CONTRACT.

